



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

FEB 14 2000

SAAL-PS

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Performance-Based Service Acquisition (PBSA)
Implementation and Performance Work Statements (PWSs)

In my previous memorandums to you addressing these issues, I have used the phrase performance-based service contracting (PBSC) to characterize the performance-based service process. The new phrase, PBSA, stresses the importance of *acquisition* as the broader and more inclusive term. PBSA highlights the fact that the development of performance-based service PWSs and their associated quality assurance provisions are the responsibility of the acquisition team. It recognizes the fact that the development of these documents is not the primary responsibility of our contracting workforce, but of the acquisition workforce, to include the requirement community. Please spread the word.

During November 1999, a Rapid Improvement Team (RIT) met to develop the foundation for a DoD policy on PBSA and to establish goals and metrics for those acquisitions. This RIT was formed under the direction of the Principal Deputy Under Secretary of Defense (AT&L) and was co-chaired by the Deputy Under Secretary of Defense (Acquisition Reform), (DUSD(AR)) and the Director, Defense Procurement, (D, DP). A copy of the latest draft report of this PBSA RIT is provided in this memorandum (Enclosure 1). The DoD PBSA policy, goals and metrics are currently being developed and will be finalized shortly. The **minimum** mandatory PBSA requirements are as follows:

- a. Performance requirements that define the work in measurable, mission-related terms.
- b. Performance standards (i.e., quality, quantity and timeliness) are tied to the performance requirements.
- c. A Government quality assurance (QA) plan that describes how the contractor's performance will be measured against the performance standards.

d. If the acquisition is either critical to agency mission accomplishment or requires a relatively large expenditure of funds, positive and negative incentives are required which are, in turn, tied to the Government QA plan measurements.

During January 2000, a working group met to begin development of a concise guide on PBSA. This PBSA guide is currently in preparation and will be provided to you upon completion. This working group also began developing various DoD-wide PBSA templates. These templates can best be viewed as outlines for the development of Performance Work Statements (PWSs) and Quality Assurance Plans (QASP). In order to assist you in finalizing your own performance-based acquisition documents, a selected sample of these PBSA templates are included in this memorandum (Enclosure 2).

The ODUSD (AR) has requested that we provide them with sample PBSA templates. The development of these PBSA templates is beginning with the "standard" class of services. Repetition, common applications, numerous suppliers and little variation in performance standards characterize this standard type of service. A sample list of these "standard" services is included in this memorandum (Enclosure 3). Based upon information you provided us, every year the Army awards billions of dollars in PBSA. The vast majority of MACOMs have useful and very active performance-based services web sites, and examples of performance-based services awarded by your MACOM.

Accordingly, I am requesting that each MACOM review their library of "standard" PBSAs and perform a final scrub of the associated PWSs and QASPs. You should use the attached approved PBSA templates as examples. Request that each MACOM submit one or two "standard" PBSA PWSs and associated QASPs to my point of contact by COB February 18, 2000. These documents will become part of a DoD-wide library of PBSA templates.

While I understand that this is a short suspense, the effort involved is minimal since it only requires you to scrub examples of PWSs and QASPs from your existing library of PBSAs. Thank you in advance for your effort and contributions.

Point of contact for this action is Robert Friedrich, SAAL-PS, (703) 681-7577, fax -7580, DSN 761-, e-mail friedrir@sarda.army.mil.



Kenneth J. Oscar
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Enclosures

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